(b) whether it is a fact that there is sufficient indigenous capacity for manufacture of these cables;

(c) if so, what steps Government propose to take to have healthy competition between M/s Hindustan Cables Limited and other manufacturers since the telephone cables are procured under an agreement of prices based on cost plus incidental basis; and

(d) what are the details of the agreement reached with the M]s. Hindustan Cables Limited for purchase of cables?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS (SHRI GIRIDHAR GOMANGO): (a) Yes, Sir, some high sizes cables, where regular production has not been started by indigenous manufacturers are proposed to be imported.

(b) No, Sir, not in higher sizes.

(c) A proposal is under consideration that M|s. HCL should participate in open tenders with other indigenous manufacturers for supply of jelly filled cables manufactured by them w.e.f. 1-4-1989.

(d) There is a pricing agreement between DOT and HCL effective from 1-4-86 which is current for three years. The main points of agreement are given below:

(i) Agreement is effective from 1-4-86 for 3 years.

(ii) DOT will give 3 years notice to HCL before phasing out any product line.

(iii) The pricing will be based on BTCP recommendations.

(iv) 50 per cent of base price will be paid as advance to M|s. HCL alongwith the order for supplies scheduled for first 12 months and balance 50 per cent will be paid on presentation of proof of despatch.

(v) A price variation clause is also incorporated in the Pricing Agreement.

(vi) There is penalty clause for late delivery of materials.

(vii) There is a bonus clause for earlyv delivery of materials, and

(viii) Any of the articles contained in-the agreement shall be subject to alteration|deletion by mutual agreement between DOT and HCL.

Distillation plant to process crude produced in the Cauveri basin

2047. SHRIMATI VEENA VERMA: SHRI KAPIL VERMA:

Will the Minister of PETROLEUM AND' NATURAL GAS be pleased to state:

(a) whether Government have decided to set up a distillation plant to process the crude produced in the Cauveri Basin; and-

(b) if so, what are the details of the scheme including the cost and time frame?-

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI BRAHM DUTT: (a) and (b) Government have asked MRL to prepare a Detailed Feasibility Report for setting up facilities for processing the crude produced in the Cauveri Basin. Preliminary estimate of the project cost is Rs. 94 crores. The capacity is to absorb 0.5 MT of crude oil.

2048. *[Transferred to the* 1« *December,* 1988].

Faulty functioning of the O.N.G.C.

2049. SHRI D B. CHANDRE GOW DA: Will the Minister of PETROLEUMT AND NATURAL GAS be pleased to state;

(a) whether the World Bank which is funding some of the projects of the ONGC has found fault with the overall functioning; of the public sector giant;

(b) whether it is also a fact that due to faulty functioning of the ONGC the implementation of the ambitious schemes have been badly delayed;